

Corporate Credit Rating

New Update

Sector: Paper and Forest Products Industry

Publishing Date: Oct 24, 2025

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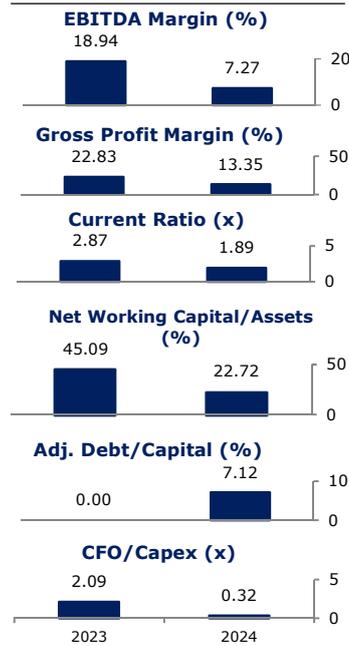
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A+ (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

* Affirmed by JCR on September 1, 2025



Alkim Kağıt Sanayi ve Ticaret A.Ş.

JCR Eurasia Rating has evaluated "Alkim Kağıt Sanayi ve Ticaret A.Ş." in investment grade category with high credit quality and revised the Long-Term National Issuer Credit Rating to 'A+ (tr)' from 'AA (tr)' and affirmed the Short-Term National Issuer Credit Rating at 'J1+ (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks are determined as 'BB/Stable' in line with the sovereign ratings and outlooks of Republic of Türkiye.

Alkim Kağıt Sanayi ve Ticaret A.Ş. (hereinafter "the Company" or "Alkim Kağıt") was established in 1997 at the Organized Industrial Zone, Kemalpaşa, İzmir as a business unit of Alkim Alkali Kimya A.Ş. "Alkim Kimya". On June 30, 1999, after a demerger by means of capital in kind completely owned by Alkim Kimya it started to operate under the name Alkim Kağıt Sanayi ve Ticaret A.Ş. and, then was offered to public in November 2000 by means of a capital increase.

79.93% of the shares in the capital of Alkim Kağıt is held by Alkim Kimya and, the free float rate is 20.00%. Alkim Kağıt is listed at the Istanbul Stock Exchange under the code "ALKA". Alkim Kimya, main shareholder of Alkim Kağıt, was offered to public in 2000 and, the free float rate is 57.62%. Alkim Kimya is listed at the Istanbul Stock Exchange under the code "ALKIM".

The Company is also one of the four local industrial enterprises operating in the production of Türkiye's printing and writing paper, indicating 25%-30% of the production. The Company has an annual production capacity of 90,000 tons. Alkim Kağıt, which attaches importance to sustainability, generates steam electricity power for its own requirements with two cogeneration plants with a total generation capacity of 10.7 MW. Since the very beginning, Alkim Kağıt attaches importance to the nature and environment and, holds the certificates ISO 9001, ISO 14001, ISO 50001, OHSAS 18001 as well as FSC certificate.

The Company ranked 322th among the Türkiye's Second Top 500 industrial enterprises as of 2024.

The staff force of the Company was composed of 241 employees at June 30, 2025 (FY2024:231).

Key rating drivers, as strengths and constraints, are provided below.

Strengths

- Consistent sales volume over the reviewed years despite slight contraction in inflation adjusted revenue in FY2024,
- Established market presence in domestic paper production and expectation of market share growth upon completion of ongoing investments,
- Adequate current ratio and net working capital facilitating liquidity management despite decreasing trend over the reviewed periods,
- Low level of doubtful receivable underpinned by varied customer base,
- Extensive industry experience thanks to the Company's long-standing presence,
- Compliance with corporate governance practices as a publicly traded company,

Constraints

- Persistence of notable contraction in profitability margins throughout FY2024 and 1H2025,
- Deterioration in leverage metrics as of 1H2025 due to limited EBITDA generation following a solid leverage profile characterized by a cash surplus position in FY2023-2024,
- Industry's competitive dynamics and market shift towards imported products leading to lower domestic demand and profitability,
- Sector-wide high import dependency of the raw material used in production,
- As actions for a global soft-landing gain prominence, decisions with the potential to adversely affect global trade are engendering considerable uncertainty.

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been revised to 'A+ (tr)' from 'AA (tr)'. The Company's consistent sales volume, market presence and extensive industry experience as well as maintaining contraction in profitability margins, cessation of the cash surplus position as of 1H2025 and global economic conditions have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings were determined as 'Stable'. The Company's profitability performance, liquidity structure, efficiency of completed sizeable investments and indebtedness structure will be closely monitored by JCR Eurasia Rating in upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.